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January 9, 2006

VIA ELECTRONIC MAIL and HAND-DELIVERY

Charles L.A. Terreni, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2006 JAN -9 AM 11:06
SC PUBLIC SERVICE
COMMISSION

Re: SCE&G Docket 2005-5-G, Under Order No.: 2005-653
Sale of Propane from Faber Place Propane Air Plant, Located in North Charleston, South Carolina

Dear Mr. Terreni,

This acknowledges that the South Carolina Office of Regulatory Staff ("ORS") has reviewed the letter filed by South Carolina Electric and Gas Company ("SCE&G") dated December 28, 2005 in the above-referenced docket. ORS also met with SCE&G personnel concerning this matter. ORS does not oppose SCE&G's proposed treatment of crediting the cost of gas to ensure that the customers receive the greater benefit of a) the net proceeds of the propane inventory sales, or b) the reduction in the gas cost that would have resulted if the propane had been used to serve customers.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,


John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS (via hand-delivery)
Florence Belser, General Counsel, SC ORS (via hand-delivery)
Dr. James Spearman (via electronic mail and hand-delivery)
F. David Butler, Esquire (via hand-delivery)
Kenneth R. Jackson (via electronic mail)
Belton Zeigler, Esquire (via electronic mail)